GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2535
ANSWERED ON:16.03.2007
OVERDUES OF CREDIT INSTITUTIONS
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Will the Minister of FINANCE be pleased to state:

(a) whether there has been reports of huge overdues among all the credit institutions like RegionalRural Banks and Commercial Banks;

(b) if so, trie details thereof; and

(c) the steps the Government proposes to take in order to recover these dues?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PA WAN KUMAR BANSAL)

(a) and (b):- As per the information furnished by Reserve Bank of India, the gross overdues viz. gross non-performing assets(NPAs) of Regional Rural Banks and scheduled Commercial Banks for the last four years are as under-

REGIONAL RURAL BANKS

Rs. in crore

Period ended	Gross NPAs	Gross NPAs to Gross Advance (%)
March, 2003	3199.75	14.44
March, 2004	3298.66	12.63
March, 2005	2804.35	8.53
March, 2006	2890.47	7.28

SCHEDULED COMMERCIAL BANKS

Rs. in crore

Period ended	Gross NPAs	Gross NPAs to Gross Advance (%)

March, 2003 68717 8.8

March, 2004 64785 7.2

March, 2005 59373 5.2

March,2006 51815 3.3

(c) :- (i) It is proposed to extend the Securitisation and Reconstruction of Financial Assets and Enforcement of Securitisation of Interest (SARFAESI) Act to loans advanced by RRBs.

(ii) All Scheduled Commercial Banks (including RRBs and Local Areas Banks) are advised to provide a simplified mechanism for one-time settlement of loans where the principal amount is equal to or less than Rs. 25000/- and which have become doubtful or loss assets as on 30.9.2005.

(iii) In case of loans granted under Government sponsored schemes, banks may frame separate guidelines following a state-specific approach to be evolved by State Level Bankers Committee (SLBC).